

# LANDMARKS

**LANDMARKS BERHAD**

**(185202-H)**

**( Incorporated in Malaysia )**

**Unaudited Interim Financial Report  
For The Third Quarter Ended  
30 September 2013**

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

|   | Note | 30-Sept-2013<br>RM' 000<br>(Unaudited) | 31-Dec-2012<br>RM' 000<br>(Audited) |
|---|------|--|-------------------------------------|
| <b>ASSETS</b>   |      |  |                                     |
| Property, plant and equipment                                 | A11  | 391,071                                | 385,872                             |
| Intangible asset  |      | 497                                    | 614                                 |
| Property development costs                                    |      | 1,696,476                              | 1,696,476                           |
| Investments in associates                                     |      | 48,666                                 | 45,997                              |
| Other investments   |      | 1,040                                  | 1,040                               |
| Deferred tax assets   |      | 424                                    | 424                                 |
| <b>Total Non-Current Assets</b>                               |      | <b>2,138,174</b>                       | <b>2,130,423</b>                    |
| Inventories   |      | 362                                    | 407                                 |
| Property development costs                                    |      | 48,900                                 | 17,883                              |
| Receivables, deposits and prepayments                         |      | 5,782                                  | 8,261                               |
| Current tax assets  |      | 627                                    | 242                                 |
| Cash and cash equivalents                                     |      | 150,049                                | 171,828                             |
| <b>Total Current Assets</b>                                   |      | <b>205,720</b>                         | <b>198,621</b>                      |
| <b>TOTAL ASSETS</b>   |      | <b>2,343,894</b>                       | <b>2,329,044</b>                    |
| <b>EQUITY</b>   |      |  |                                     |
| Share capital   |      | 480,810                                | 480,810                             |
| Reserves  |      | 219,688                                | 218,408                             |
| Retained earnings   |      | 1,071,913                              | 1,079,352                           |
| <b>Total equity attributable<br/>to owners of the Company</b> |      | <b>1,772,411</b>                       | <b>1,778,570</b>                    |
| <b>Non-controlling interest</b>                               |      | <b>1</b>                               | <b>1</b>                            |
| <b>Total Equity</b>   |      | <b>1,772,412</b>                       | <b>1,778,571</b>                    |
| <b>LIABILITIES</b>  |      |  |                                     |
| Loans and borrowings  | B8   | 83,415                                 | 137                                 |
| Deferred tax liabilities                                      |      | 468,575                                | 468,958                             |
| <b>Total Non-Current Liabilities</b>                          |      | <b>551,990</b>                         | <b>469,095</b>                      |
| Payables and accruals   |      | 12,608                                 | 13,005                              |
| Loans and borrowings  | B8   | 5,066                                  | 66,555                              |
| Current tax liabilities                                       |      | 1,818                                  | 1,818                               |
| <b>Total Current Liabilities</b>                              |      | <b>19,492</b>                          | <b>81,378</b>                       |
| <b>Total Liabilities</b>                                      |      | <b>571,482</b>                         | <b>550,473</b>                      |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                         |      | <b>2,343,894</b>                       | <b>2,329,044</b>                    |
| <b>Net Assets Per Share (RM)</b>                              |      | <b>3.69</b>                            | <b>3.70</b>                         |

*The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.*

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013

|  | Note | INDIVIDUAL PERIOD |                | CUMULATIVE PERIOD |                |
|--|------|-------------------|----------------|-------------------|----------------|
|  |      | 3 months ended    |                | 9 months ended    |                |
|  |      | 2013              | 2012           | 2013              | 2012           |
|  |      | RM'000            | RM'000         | RM'000            | RM'000         |
| Revenue  |      | <u>6,657</u>      | <u>8,756</u>   | <u>28,972</u>     | <u>33,348</u>  |
| <b>Loss from operations</b>  |      | <b>(2,006)</b>    | <b>(5,145)</b> | <b>(9,111)</b>    | <b>(1,132)</b> |
| Finance costs  |      | <b>(1,059)</b>    | <b>(775)</b>   | <b>(2,631)</b>    | <b>(2,251)</b> |
| Finance income   |      | <b>363</b>        | <b>398</b>     | <b>1,119</b>      | <b>1,308</b>   |
| <b>Operating loss</b>  |      | <b>(2,702)</b>    | <b>(5,522)</b> | <b>(10,623)</b>   | <b>(2,075)</b> |
| Share of net profit / (loss) of associates                               | B1   | <b>1,362</b>      | <b>(109)</b>   | <b>2,669</b>      | <b>375</b>     |
| <b>Loss before taxation</b>  |      | <b>(1,340)</b>    | <b>(5,631)</b> | <b>(7,954)</b>    | <b>(1,700)</b> |
| Income tax expense   | B5   | <b>732</b>        | <b>148</b>     | <b>515</b>        | <b>(827)</b>   |
| <b>Loss for the period</b>   |      | <b>(608)</b>      | <b>(5,483)</b> | <b>(7,439)</b>    | <b>(2,527)</b> |
| <b>Other comprehensive (expense) / income, net of tax</b>                |      |                   |                |                   |                |
| <b>Items that may be reclassified subsequently to profit or loss</b>     |      |                   |                |                   |                |
| Foreign currency translation differences for foreign operations          |      | <b>(71)</b>       | <b>(422)</b>   | <b>1,280</b>      | <b>(536)</b>   |
| <b>Other comprehensive (expense) / income for the period, net of tax</b> |      | <b>(71)</b>       | <b>(422)</b>   | <b>1,280</b>      | <b>(536)</b>   |
| <b>Total comprehensive expense for the period</b>                        |      | <b>(679)</b>      | <b>(5,905)</b> | <b>(6,159)</b>    | <b>(3,063)</b> |
| <b>Loss attributable to:</b>   |      |                   |                |                   |                |
| Owners of the Company  |      | <b>(608)</b>      | <b>(5,483)</b> | <b>(7,439)</b>    | <b>(2,527)</b> |
| Non-controlling interest   |      | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>       |
| <b>Loss for the period</b>   |      | <b>(608)</b>      | <b>(5,483)</b> | <b>(7,439)</b>    | <b>(2,527)</b> |
| <b>Total comprehensive expense attributable to:</b>                      |      |                   |                |                   |                |
| Owners of the Company  |      | <b>(679)</b>      | <b>(5,905)</b> | <b>(6,159)</b>    | <b>(3,063)</b> |
| Non-controlling interest   |      | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>       |
| <b>Total comprehensive expense for the period</b>                        |      | <b>(679)</b>      | <b>(5,905)</b> | <b>(6,159)</b>    | <b>(3,063)</b> |

### Earnings per share attributable to owners of the Company (sen)

|                     |  |               |               |               |
|---------------------|--|---------------|---------------|---------------|
| Loss for the period |  |               |               |               |
| -Basic              |  | <b>(0.13)</b> | <b>(1.14)</b> | <b>(1.55)</b> |
| -Diluted            |  | <b>(0.13)</b> | <b>(1.14)</b> | <b>(1.55)</b> |

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013**

<-----Attributable to owners of the Company----->

<----- Non-distributable ----->      *Distributable*

|   | Share Capital<br>RM'000 | Translation<br>Reserve<br>RM'000 | Fair Value<br>Reserve<br>RM'000 | Share<br>Premium<br>RM'000 | Share<br>Option<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 | Total<br>RM'000  | Non-<br>controlling<br>interest<br>RM'000 | Total Equity<br>RM'000 |
|---|-------------------------|----------------------------------|---------------------------------|----------------------------|--------------------------------------|--------------------------------|------------------|---|------------------------|
| <b>At 1 January 2012</b>  | 480,810                 | (374)                            | 415                             | 218,272                    | 1,378                                | 1,081,598                      | 1,782,099        | 1   | 1,782,100              |
| Foreign currency translation differences for foreign operations | -                       | (536)                            | -                               | -                          | -                                    | -                              | (536)            | -   | (536)                  |
| Total other comprehensive expense for the period                | -                       | (536)                            | -                               | -                          | -                                    | -                              | (536)            | -   | (536)                  |
| Loss for the period   | -                       | -                                | -                               | -                          | -                                    | (2,527)                        | (2,527)          | -   | (2,527)                |
| <b>Total comprehensive expense for the period</b>               | -                       | (536)                            | -                               | -                          | -                                    | (2,527)                        | (3,063)          | -   | (3,063)                |
| <b>At 30 September 2012</b>                                     | 480,810                 | (910)                            | 415                             | 218,272                    | 1,378                                | 1,079,071                      | 1,779,036        | 1   | 1,779,037              |
| <b>At 1 January 2013</b>  | <b>480,810</b>          | <b>(1,957)</b>                   | <b>415</b>                      | <b>218,272</b>             | <b>1,678</b>                         | <b>1,079,352</b>               | <b>1,778,570</b> | <b>1</b>                                  | <b>1,778,571</b>       |
| Foreign currency translation differences for foreign operations | -                       | <b>1,280</b>                     | -                               | -                          | -                                    | -                              | <b>1,280</b>     | -   | <b>1,280</b>           |
| Total other comprehensive income for the period                 | -                       | <b>1,280</b>                     | -                               | -                          | -                                    | -                              | <b>1,280</b>     | -   | <b>1,280</b>           |
| Loss for the period   | -                       | -                                | -                               | -                          | -                                    | (7,439)                        | (7,439)          | -   | (7,439)                |
| <b>Total comprehensive income/(expense) for the period</b>      | -                       | <b>1,280</b>                     | -                               | -                          | -                                    | <b>(7,439)</b>                 | <b>(6,159)</b>   | -   | <b>(6,159)</b>         |
| <b>At 30 September 2013</b>                                     | <b>480,810</b>          | <b>(677)</b>                     | <b>415</b>                      | <b>218,272</b>             | <b>1,678</b>                         | <b>1,071,913</b>               | <b>1,772,411</b> | <b>1</b>                                  | <b>1,772,412</b>       |

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2013

|  | 30-Sep-2013<br>RM'000         | 30-Sep-2012<br>RM'000         |
|--|-------------------------------|-------------------------------|
| <b>Cash flows from operating activities</b>                        |                               |                               |
| Loss before taxation   | (7,954)                       | (1,700)                       |
| Adjustments for non-cash flows:                                    |                               |                               |
| Amortisation of intangible asset                                   | 131                           | 126                           |
| Depreciation of property, plant and equipment                      | 5,537                         | 5,132                         |
| Finance cost   | 2,631                         | 2,251                         |
| Finance income   | (1,119)                       | (1,308)                       |
| Gain on disposal of property, plant and equipment                  | (25)                          | -                             |
| Gain on disposal of freehold land                                  | -                             | (2,661)                       |
| Share of profit of an equity accounted associate, net of tax       | (2,669)                       | (375)                         |
| <b>Operating (loss) / profit before changes in working capital</b> | <b>(3,468)</b>                | <b>1,465</b>                  |
| Changes in working capital   |                               |                               |
| Inventories  | 45                            | 3,231                         |
| Trade and other receivables and prepayments                        | 2,458                         | (203)                         |
| Trade payables and others payables                                 | 996                           | (5,480)                       |
| Property development costs   | (31,017)                      | (5,991)                       |
| Cash used in operations  | (30,986)                      | (6,978)                       |
| Income tax paid  | (263)                         | (19)                          |
| Income tax refunded  | 19                            | 70                            |
| <b>Net cash used in operating activities</b>                       | <b>(31,230)</b>               | <b>(6,927)</b>                |
| <b>Cash flows from investing activities</b>                        |                               |                               |
| Acquisition of property, plant and equipment                       | (10,812)                      | (5,980)                       |
| Acquisition of intangible asset                                    | (14)                          | (109)                         |
| Increased in pledged deposits placed with licensed banks           | (1,109)                       | (25)                          |
| Interest received  | 1,119                         | 1,308                         |
| Proceeds from disposal of freehold land                            | -                             | 6,000                         |
| <b>Net cash (used in) / from investing activities</b>              | <b>(10,816)</b>               | <b>1,194</b>                  |
| <b>Cash flows from financing activities</b>                        |                               |                               |
| Proceeds from bank borrowings                                      | 88,338                        | 88                            |
| Interest paid  | (2,631)                       | (2,251)                       |
| Repayment of loans and borrowings                                  | (66,549)                      | (12,356)                      |
| <b>Net cash from / (used in) financing activities</b>              | <b>19,158</b>                 | <b>(14,519)</b>               |
| Net decrease in cash and cash equivalents                          | (22,888)                      | (20,252)                      |
| Cash and cash equivalents at 1 January                             | 169,622                       | 193,949                       |
| <b>Cash and cash equivalents at 30 September</b>                   | <b>146,734</b>                | <b>173,697</b>                |
|  | <b>30-Sep-2013<br/>RM'000</b> | <b>30-Sep-2012<br/>RM'000</b> |
| Cash and bank balances   | 15,640                        | 8,805                         |
| Deposits with licensed banks                                       | 110,296                       | 167,089                       |
| Investment in cash funds   | 24,113                        | -                             |
|  | 150,049                       | 175,894                       |
| Less : Deposits pledged  | (3,315)                       | (2,197)                       |
|  | <b>146,734</b>                | <b>173,697</b>                |

The unaudited condensed consolidated cash flows statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

## LANDMARKS BERHAD (“LANDMARKS” OR “THE COMPANY”)

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

#### **PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING**

##### ***A1. Basis of preparation***

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This Condensed Report also complies with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

##### ***A2. Changes in Accounting Policies/Estimates***

The audited financial statements of the Group for the year ended 31 December 2012 were prepared in accordance with MFRS. All significant accounting policies adopted in preparing this interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2012 except those new or revised MFRS and amendments to MFRS that are relevant and effective for annual periods beginning on or after 1 July 2012 or 1 January 2013 as disclosed below:-

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (2011)*
- MFRS 127, *Separate Financial Statements (2011)*
- MFRS 128, *Investments in Associates and Joint Ventures (2011)*
- Amendments to MFRS101, *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income.*
- Amendments to MFRS 7, *Financial Instruments : Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009- 2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*

**A2. Changes in Accounting Policies/Estimates (continued)**

- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

The following MFRS and IC Interpretations have been issued by the MASB and are not yet effective and have not been applied by the Group:

Effective for annual periods commencing on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

Effective for annual periods commencing on or after 1 January 2015

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures*

The initial application of the Standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

**A3. *Changes in estimates***

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

**A4. *Auditors' Report on the Group's latest Annual Financial Statements***

There were no audit qualifications on the Group's financial statements for the year ended 31 December 2012.

**A5. *Exceptional items of a non-recurring nature***

There were no exceptional items of a non-recurring nature during the financial period under review.

**A6. *Inventories***

During the financial period under review, there was no write-down of inventories.

**A7. *Changes in composition of the Group***

There were no changes in the composition of the Group arising from business combination, acquisition or disposal of subsidiary companies and long-term investment, restructuring, or discontinued operations for the current interim period.

**A8. *Dividends paid***

There were no dividends paid during the financial period under review.

**A9. *Seasonal or cyclical factors***

The Group's hotel business is generally affected by seasonal or cyclical factors. The high season for the Group's hotel generally lies in the first and last quarters of the financial year.



**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A10. Operating segments**

The Group's operations comprise the following main business segments:

|                                    |   |
|------------------------------------|---|
| Hospitality and Wellness           | Provision of hotel management and wellness services |
| Resort and Destination Development | Development of resorts and properties               |

| 9 months ended 30 September   | Hospitality and Wellness |         | Resort and Destination<br>Development |           | Others         |         | Consolidated     |           |
|---|--------------------------|---------|---------------------------------------|-----------|----------------|---------|------------------|-----------|
|   | 2013                     | 2012    | 2013                                  | 2012      | 2013           | 2012    | 2013             | 2012      |
|   | RM'000                   | RM'000  | RM'000                                | RM'000    | RM'000         | RM'000  | RM'000           | RM'000    |
| Segment revenue   | <b>28,972</b>            | 33,348  | -                                     | -         | -              | -       | <b>28,972</b>    | 33,348    |
| (Loss)/profit from operations   | <b>(183)</b>             | 5,635   | <b>(8,787)</b>                        | (7,725)   | <b>(141)</b>   | 958     | <b>(9,111)</b>   | (1,132)   |
| Finance costs   | <b>(2,631)</b>           | (2,251) | -                                     | -         | -              | -       | <b>(2,631)</b>   | (2,251)   |
| Finance income  | <b>211</b>               | 131     | <b>8</b>                              | 53        | <b>900</b>     | 1,124   | <b>1,119</b>     | 1,308     |
|   | <b>(2,603)</b>           | 3,515   | <b>(8,779)</b>                        | (7,672)   | <b>759</b>     | 2,082   | <b>(10,623)</b>  | (2,075)   |
| Included in the measure of segments<br>results from operating activities are: |                          |         |                                       |           |                |         |                  |           |
| - Depreciation and amortisation   | <b>(4,434)</b>           | (4,107) | <b>(1,008)</b>                        | (1,016)   | <b>(226)</b>   | (135)   | <b>(5,668)</b>   | (5,258)   |
| - Gain from disposal of freehold land   | -                        | -       | -                                     | -         | -              | 2,661   | -                | 2,661     |
| - Foreign exchange gain   | -                        | -       | <b>1,652</b>                          | 862       | <b>3,589</b>   | 1,882   | <b>5,241</b>     | 2,744     |
| - Reversal of impairment<br>loss on trade receivables                         | <b>219</b>               | 1       | -                                     | -         | -              | -       | <b>219</b>       | 1         |
| Segments assets   | <b>161,013</b>           | 154,838 | <b>1,998,685</b>                      | 1,962,328 | <b>184,196</b> | 211,568 | <b>2,343,894</b> | 2,328,734 |

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING**

***A11. Property, plant and equipment***

There were no amendments to the valuation of property, plant and equipment brought forward.

***A12. Intangible asset***

Purchase of intangible asset for the financial period ended 30 September 2013 amounted to RM13,900.

***A13. Non-current assets and non-current liabilities classified as held for sale.***

There were no non-current assets and non-current liabilities classified as held for sale.

***A14. Issuances, repayments of debt and equity securities***

There were no issuance or repayment of debt, share buy back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2013.

***A15. Events subsequent to the balance sheet date***

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements as at the date of this report.

***A16. Contingent liabilities and Contingent Assets***

As at 30 September 2013, there were no material contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group. As at the date of this report, the Company has contingent liabilities as follows:-

|  | <b>30 September 2013</b><br><b>RM'000</b> |
|--|---|
| Corporate guarantees granted for banking facilities of a subsidiary (note B8). | <b><u>88,338</u></b>                      |

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A17. Capital and commitments**

|                                   | <b>30 September 2013</b> |
|-----------------------------------|--------------------------|
|                                   | <b>RM'000</b>            |
| Authorised but not contracted for | <b>19,450</b>            |
| Contracted but not provided for   | <b>28,237</b>            |
| <hr/>                             |                          |
| Total                             | <b>47,687</b>            |
| <hr/>                             |                          |

**A18. Related party transactions**

There were no related party transactions for the financial period under review.

**A19. Financial risk management**

The Group's financial risk management objectives and policies and risk profile are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2012.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA  
UNDER PART A OF APPENDIX B**

***B1. Review of performance for Nine Month to 30 September 2013 compared to Nine Month to 30 September 2012.***

For the financial period ended 30 September 2013, the Group's revenue decreased by 13% from RM33.35 million in the corresponding period of 2012 to RM28.97 million in 2013. The Group registered a net loss attributable to equity owners of the Company of RM7.44 million for the nine month period of 2013 compared with a net loss of RM2.53 million in the previous year.

Higher loss from operations of RM9.11 million compared to a loss of RM1.13 million in 2012 was mainly due to the lower contribution from the Hospitality and Wellness segment.

The renovation and refurbishment works at the North Wing of The Andaman are being carried out smoothly and will be completed in next quarter. Owing to the disruption to hotel operations and closure of the North Wing guest rooms, The Andaman recorded an operating loss of RM0.18 million for the nine month period compared to profit of RM5.64 million for the same corresponding period of 2012. The occupancy and Revenue Per Available Room (RevPAR) also fell by 7.7% and 12.6% respectively.

The infrastructure works for Phase 1, Treasure Bay, Pesona Lagoi Bintan and the construction works for the Crystal Lagoon and The Canopi resort are progressing and on schedule as planned. For the nine month period ended 30 September 2013, the Resort and Destination Development segment recorded an operation loss of RM8.79 million compared to RM7.73 million for the corresponding period in 2012.

**Associated companies**

The Group's investment in its associate, MSL Properties Sdn. Bhd. ("MSL") recorded a share of net profit amounting to RM2.67 million for the nine month period ended 30 September 2013, compared to RM0.38 million in the corresponding period of 2012.

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**B2. Comments on current quarter against preceding quarter performance**

|                                  | <b>2013<br/>3rd Qtr<br/>RM'000</b> | 2013<br>2nd Qtr<br>RM'000 |
|----------------------------------|------------------------------------|---------------------------|
| <b>Revenue</b>                   | <u>6,657</u>                       | <u>8,464</u>              |
| <b>Loss from operations</b>      | (2,006)                            | (4,762)                   |
| Finance cost                     | (1,059)                            | (732)                     |
| Finance income                   | <u>363</u>                         | <u>308</u>                |
| <b>Operating loss</b>            | (2,702)                            | (5,186)                   |
| Share of net profit of associate | <u>1,362</u>                       | <u>639</u>                |
| <b>Loss before tax</b>           | <u>(1,340)</u>                     | <u>(4,547)</u>            |

For the quarter under review, the Group's revenue fell to RM6.66 million as compared to previous corresponding quarter's revenue of RM8.46 million. Business at The Andaman was slower, impacted by the closure of the North Wing guest rooms.

The Group recorded a loss before tax of RM1.34 million compared to RM4.55 million in previous quarter. This was mainly due to unrealised foreign exchange gain of RM5.24 million and higher operating profit recorded by MSL in this quarter.

**B3. Prospects**

The renovation and refurbishment works at The Andaman's North Wing are progressing well and is expected to be completed by end of 2013. With the completion of the works in 2013, The Andaman can look forward to presenting a refreshed and updated resort to our hotel guests. The resort is confident that the new range of exciting rooms with enhanced room features and amenities will be well received. We expect The Andaman to enhance its operating performance in the coming years.

The infrastructure works at Phase 1, Treasure Bay, are expected to be completed by the end of 2013 follow with Crystal Lagoon by the end of the first quarter of 2014. By next year, Treasure Bay will roll out its first hotel, attractions, retail and F&B outlets. Treasure Bay, which is within an hour's reach from Singapore, is expected to benefit from Singapore's growth and set to become the next premier tourist destination in Asia Pacific.

**B4. Profit forecast**

Not applicable as no profit forecast was announced or disclosed.

**B5. Income Tax expense**

|                                       | <b>Current period</b> |               | <b>Cumulative period</b> |               |
|---------------------------------------|-----------------------|---------------|--------------------------|---------------|
|                                       | <b>3 months ended</b> |               | <b>9 months ended</b>    |               |
|                                       | <b>30 September</b>   |               | <b>30 September</b>      |               |
|                                       | <b>2013</b>           | <b>2012</b>   | <b>2013</b>              | <b>2012</b>   |
|                                       | <b>RM'000</b>         | <b>RM'000</b> | <b>RM'000</b>            | <b>RM'000</b> |
| Current taxation                      |                       |               |                          |               |
| Malaysia income tax charge            | (58)                  | (35)          | -                        | 272           |
| Deferred Taxation                     | (674)                 | (113)         | (515)                    | 555           |
| Taxation charge /<br>(over provision) | <u>(732)</u>          | <u>(148)</u>  | <u>(515)</u>             | <u>827</u>    |

Tax expense is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year applied to the pre-tax income of the interim period.

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**B5. Tax expense (continued)**

The Group's consolidated effective tax rate for the nine month period ended 30 September 2013 was lower than the Malaysia statutory tax rate of 25%. This was mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

**B6. Status of corporate proposals announced**

There are no corporate proposals announced as at the date of this quarterly report except the following:-

On 19 September 2013, the Board announced that the Company is proposing renounceable rights issue of up to 240,849,900 Warrants ("Warrants") on the basis of one (1) Warrant for every two (2) existing ordinary shares of RM1.00 each held in the Company. The issue price and entitlement date will be determined and announced later after obtaining all relevant approvals.

**B7. Changes in material litigation**

There is no material litigation pending at the date of this report.

**B8. Loan and borrowings**

The Group's borrowings, all of which are secured, are as follows:

|                              | <b>As at<br/>30 September<br/>2013<br/>RM'000</b> | <b>As at<br/>31 December<br/>2012<br/>RM'000</b> |
|------------------------------|---|--|
| <b>Short term borrowings</b> |   |  |
| Secured                      | 5,066   | 66,555   |
| <b>Long term borrowings</b>  |   |  |
| Secured                      | 83,415  | 137  |
|                              | <hr/>   | <hr/>  |
| <b>Total borrowings</b>      | <b>88,481</b>                                     | 66,692   |
|                              | <hr/>   | <hr/>  |

The term loan of RM88.34 million for a subsidiary was secured with a Landmarks Berhad corporate guarantee.

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**B9. Derivative financial instruments**

There are no derivative financial instruments as at the date of this quarterly report.

**B10. Fair value changes of financial liabilities**

The Group does not have any financial liabilities that are measured at fair value through profit and loss as at the date of this quarterly report.

**B11. Dividends**

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 30 September 2013.

**B12. Breakdown of Realised and Unrealised Profits**

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements and in accordance with the Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

|  | <b>Group<br/>30 September<br/>2013<br/>RM'000</b> | <b>Group<br/>31 December<br/>2012<br/>RM'000</b> |
|--|---|--|
| Total retained earnings of Landmarks Berhad and its subsidiaries : |   |  |
| - Realised   | (3,835)   | 11,617   |
| - Unrealised   | (1,206)   | (6,447)  |
|  | <u>(5,041)</u>                                    | <u>5,170</u>                                     |
| Total share of retained earnings from an associate                 | 37,444  | 34,775   |
| Consolidation adjustments  | 1,039,510   | 1,039,407  |
| Total retained earnings  | <u>1,071,913</u>                                  | <u>1,079,352</u>                                 |

The Group is unable to provide the Realised and Unrealised Profits Disclosure for the associated company, MSL, as the Group has no control over its financial and operating policies.



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**B13. Basic earnings per share**

Basic earnings per share was calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial period.

|   | <b>Individual period</b> |             | <b>Cumulative period</b> |             |
|---|--------------------------|-------------|--------------------------|-------------|
|   | <b>3 months ended</b>    |             | <b>9 months ended</b>    |             |
|   | <b>30 September</b>      |             | <b>30 September</b>      |             |
|   | <b>2013</b>              | <b>2012</b> | <b>2013</b>              | <b>2012</b> |
| <b>a) Basic earnings per share</b>  |                          |             |                          |             |
| Loss attributable to equity owners of the Company (RM'000)                  | <b>(608)</b>             | (5,483)     | <b>(7,439)</b>           | (2,527)     |
| Weighted average number of ordinary shares ('000)                           | <b>480,810</b>           | 480,810     | <b>480,810</b>           | 480,810     |
| Basic earnings per share (sen) attributable to equity owners of the Company | <b>(0.13)</b>            | (1.14)      | <b>(1.55)</b>            | (0.53)      |

Diluted earnings per share for the current financial period was calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of shares in issue during the financial period, adjusted to assume the conversion of all dilutive potential ordinary shares from share options granted to employees and directors under ESOS.

|  | <b>Individual period</b> |             | <b>Cumulative period</b> |             |
|--|--------------------------|-------------|--------------------------|-------------|
|  | <b>3 months ended</b>    |             | <b>9 months ended</b>    |             |
|  | <b>30 September</b>      |             | <b>30 September</b>      |             |
|  | <b>2013</b>              | <b>2012</b> | <b>2013</b>              | <b>2012</b> |
| <b>b) Diluted earnings per share</b>   |                          |             |                          |             |
| Loss attributable to equity holders of the Company (RM'000)                    | <b>(608)</b>             | (5,483)     | <b>(7,439)</b>           | (2,527)     |
| Weighted average number of ordinary shares ('000)                              | <b>480,810</b>           | 480,810     | <b>480,810</b>           | 480,810     |
| Adjustment for dilutive effect of ESOS   | -                        | -           | -                        | -           |
| Weighted average number of ordinary shares ('000)                              | <b>480,810</b>           | 480,810     | <b>480,810</b>           | 480,810     |
| Diluted earnings per share (sen) attributable to equity holders of the Company | <b>(0.13)</b>            | (1.14)      | <b>(1.55)</b>            | (0.53)      |

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**By Order of The Board**

**CHEW ENG KIONG**  
**Company Secretary**

**Kuala Lumpur**  
**20<sup>th</sup> November 2013**  
**[www.landmarks.com.my](http://www.landmarks.com.my)**